

20 March 1961

61-2281

**MEMORANDUM FOR: Director of Central Intelligence**

**SUBJECT: Security of Federal Employees' Compensation Cases**

1. This memorandum contains a recommendation in paragraph 3 for approval of the Director of Central Intelligence.

2. Our employees are entitled to a variety of benefits under the Federal Employees' Compensation Act and the benefits are provided by the Bureau of Employees' Compensation. The Bureau has been most cooperative in protecting our security by restricting knowledge of our cases to a minimum of their top-level employees who have been cleared for this purpose. An amendment to the Compensation Act last fall would require the Bureau to charge all agencies for the cost of benefits provided to their employees. To establish such billing, all cases would have to be processed through the routine elements of the Bureau and into their machine records which would expose the names of our employees to a large number of low-level clerical and administrative people. The clearance problem would be formidable, if not impossible, and the risk to security would be grave as we process many quite sensitive cases up into the SECRET classification.

OGC

FOIAB5

(EXECUTIVE SECRET) *16/* *Lawrence R. Houston*

*3/* *LAWRENCE R. HOUSTON*

OGC Has Reviewed

**LAWRENCE R. HOUSTON**  
General Counsel

**CONCUR**

*16/* *15/* *EDCI*

Date *25* MAR 1961

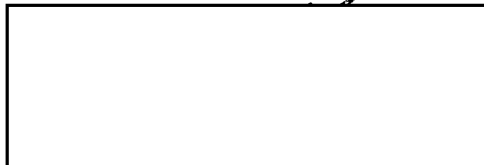
21 MAR 1961

**Deputy Director (Support)**

**Date**

The recommendation in paragraph 3 is approved

**Allen W. Dulles**  
Director



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